

MOTION BY SUPERVISOR GLORIA MOLINA

February 11, 2014

As authorized by state law and established by the Board of Supervisors in 1994, the L.A. Care Board of Governors consists of 13 members representing key interests in the Medi-Cal program in Los Angeles County. Of the 13 seats, four are nominated by the County while the remaining are nominated by specific entities such as the Los Angeles County Medical Association and the Hospital Council of Southern California.

Consistent with state law and County code, on November 7, 2013, the L.A. Care Board of Governors took preparatory action to change the nominating entity or stakeholder descriptions for three seats due to the entity or description being outdated, defunct, or no longer interested. State law requires the Board of Supervisors to approve changes to the Board composition by four-fifths vote for the changes to become final.

Specifically, the American Academy of Pediatrics California District IX is recommended to replace the County Children's Planning Council, which no longer exists, as the nominating entity for the children's health care provider representative,

MOTION

Molina	_____
Ridley-Thomas	_____
Yaroslavsky	_____
Antonovich	_____
Knabe	_____

and the L.A. Care Board will become the nominating entity for the health plan or health insurance representative, as the California Association of Health Plans has formally requested that it no longer serve this role. Additionally, the term “free” has been eliminated from the description of the community clinic representative because there are very few free clinics remaining in Los Angeles County—most have attained Federally Qualified Health Center status. The Community Clinic Association of Los Angeles County agrees with this proposed change.

The proposed changes will not affect the composition of the four seats nominated to L.A. Care Board of Governors by the Los Angeles County Board of Supervisors, and will retain the original stakeholder mix.

I, THEREFORE, MOVE THAT the Board of Supervisors approve changes to the nominating entity or stakeholder descriptions for the children’s health, health plan, and community clinic seats on the L.A. Care Board of Governors as reflected in their action of November 7, 2013.



**L.A. Care**  
HEALTH PLAN®

Board of Governors

*Thomas Horowitz, DO*  
Chairperson  
Physician Representative

*Thomas S. Klitzner, MD, PhD*  
Vice Chairperson  
Children's Health Care Providers

*Mark Gamble*  
Treasurer  
Private Non-Disproportionate  
Share Hospitals

*Louise McCarthy*  
Secretary  
Licensed Free & Community Clinics

*Jann Hamilton Lee*  
Federally Qualified Health Centers

*Alexander K. Li, MD*  
County of Los Angeles

*Oswaldo "Ozzie" Lopez*  
Member Advocate, L.A. Care  
Members

*The Honorable Gloria Molina*  
Board of Supervisors  
County of Los Angeles

*Hilda Perez*  
Member Representative  
L.A. Care Members

*Michael A. Rembis, FACHE*  
Private Disproportionate  
Share Hospitals

*G. Michael Roybal, MD*  
County of Los Angeles

*Sheryl L. Spiller*  
County of Los Angeles

*Walter A. Zelman, PhD*  
Knox-Keene Licensed Pre-Paid  
Health Plans

*Howard A. Kahn*  
Chief Executive Officer

January 28, 2014

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT TO L.A. CARE BOARD OF GOVERNORS BYLAWS**

**SUBJECT**

Approval is requested for changes to the L.A. Care Board of Governors Bylaws relating to the nominating entity or stakeholder description for three seats on the L.A. Care Board of Governors.

**PURPOSE/JUSTIFICATION**

Under authorizing State law and County Code, the L.A. Care Board of Governors is comprised of thirteen seats that represent specific stakeholders, and appointment for each seat is made by designated nominating entity and approved by the Board of Supervisors. Further, County Code specifies requirements of four of the thirteen seats that are designated under State law to the County, and specifies the Board of Supervisors approve the remaining seats nominated by designated entities. State law also provides for a change in the nominating entities subject to two-thirds vote of the L.A. Care Board of Governors and four-fifths vote of the Board of Supervisors.

On November 7, 2013, the L.A. Care Board of Governors took preparatory action to change the nominating entity or stakeholder descriptions for three seats due to the entity or description being outdated, defunct, or no longer interested.

The proposed changes will not affect the composition of the four seats nominated to L.A. Care Board of Governors by the Los Angeles County Board of Supervisors, and will retain the original stakeholder mix.

**EXPLANATION OF CHANGES**

Pursuant to State law, the L.A. Care Board of Governors Bylaws Section 2.3.10 provides that one Board Member shall be a children's health care provider representative, nominated by the County Children's Planning Council. That nominating entity no longer exists. Alternatively, the American Academy of Pediatrics California District IX (AAP-CA) has agreed to become the nominating entity for the appointee to L.A. Care's Board representing children's health care providers. The mission of AAP-CA is to attain optimal physical, mental, and social health and well being for all infants, children, adolescents, and young adults living in California.



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telephone 213.694.1250 • facsimile 213.694.1246 • [www.lacare.org](http://www.lacare.org)

Accreditation of Medi-Cal, Healthy Kids and Healthy Families Program.

**For a Healthy Life**

Section 2.3.7 of the Bylaws provides that one Board Member shall be a representative of Knox-Keene licensed prepaid health plans, nominated by the California Association of Health Plans. That nominating entity has experienced challenges in the past in nominating a suitable representative, and has notified L.A. Care that its Board passed a resolution to withdraw from its position as a nominating entity. Alternatively, the L.A. Care Board will become the nominating entity for this seat and the proposed Board Member is a representative with health plan or health insurance expertise, thus maintaining the original intent of the legislation.

Section 2.3.5 of the Bylaws provides that one Board Member shall be a representative of free and community clinics, nominated by the Community Clinic Association of Los Angeles County (CCALAC). The term “free” has been eliminated because there are very few free clinics in Los Angeles County. CCALAC has agreed with this proposed change.

#### FACTS AND PROVISIONS/LEGAL REQUIREMENTS

California Welfare & Institutions Code Sections 14087.38 and 14087.96 through 14087.9725 authorized Los Angeles County to create the Local Initiative Health Authority for Los Angeles County, known as L.A. Care Health Plan, and specified, among other provisions, the membership and nominating entities for the seats of the L.A. Care Board of Governors. Further, County Code Chapter 3.37 specifies the procedure for County representatives to four L.A. Care Board of Governors seats while the remaining seats are subject to “ministerial action of the board of supervisors to appoint the remaining local initiative governing board members nominated as set forth in Welfare and Institutions Code...”

Welfare and Institutions Code Section 14087.9615 authorizes updates to the composition of the L.A. Care Board of Governors subject to a two-thirds vote of the body, and approval by the Board of Supervisors by four-fifths vote.

On November 7, 2013, the L.A. Care Board of Governors approved the attached amendments to Amended and Restated Bylaws of Health Authority for Los Angeles County (referred to as L.A. Care’s Bylaws) by the required affirmative vote of two-thirds of the L.A. Care Board of Governors (9 votes). The amendments were publicly posted for 30 days prior to the Board’s vote, as required by L.A. Care’s Bylaws. No objection or public comment was submitted to L.A. Care with regard to the amendments.

Respectfully submitted,

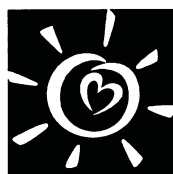


Thomas Horowitz D.O.  
Chairperson  
L.A. Care Board of Governors

#### Attachments

- c: Executive Officer, Los Angeles County Board of Supervisors  
Chief Executive Officer  
County Counsel





**L.A. Care**  
HEALTH PLAN

**Board of Governors**  
**MOTION SUMMARY**

**Date:** November 7, 2013

**Motion No.** GOV 100.1113

**Committee:** Governance

**Chairperson:** Walter A. Zelman, PhD

**Issue:** Amend L.A. Care's Bylaws to modify the nominating entity and/or the stakeholder definition for three of the thirteen seats on the L.A. Care Board of Governors.

**Background:**

A. **Modify Nominating Entities** California Welfare and Institutions Code<sup>1</sup> Section 14087.96 *et seq.*, referred to as L.A. Care's enabling legislation, specifies the composition of L.A. Care's Board of Governors. Section 14087.961, sub-sections (a) through (j), list the ten entities which nominate and define the stakeholders represented for the 13 members of the L.A. Care Board of Governors. The language of Section 14087.96 is reflected in L.A. Care's Bylaws, Section 2.3.

1. Bylaws Section 2.3.4 defines the representative of "free and community clinics" to be nominated by the Community Clinic Association of Los Angeles County (CCALAC). As clinics have become federally qualified health centers (FQHC) to be eligible for additional federal and state reimbursement, the category of "free and community clinics" is no longer descriptive of safety net clinics which serve under- or uninsured people in Los Angeles County. It would be prudent to dispose of the "free" designation and describe the stakeholder representation as "community clinics and health centers". The proposed change does not impact the stakeholder representation and legislative amendment to Section 14087.961 is not required. The amendment to L.A. Care's Bylaws requires an affirmative vote of two-thirds of the L.A. Care Board of Governors (9 votes), and an affirmative vote of four of the five members of the Los Angeles County Board of Supervisors.
2. California Association of Health Plans (CAHP) is identified in Bylaws Section 2.3.7 as the nominating entity for a member of L.A. Care's Board to represent Knox-Keene licensed prepaid health plans. CAHP's Board of Directors approved a motion requesting to withdraw as the nominating entity for one seat on L.A. Care's Board.

There have been many changes in the health care arena in recent years, and more changes are expected. It is recommended that the Board of Governors of L.A. Care become the nominating entity for this seat on the Board of Governors, and that health plan expertise be retained. This will allow flexibility for the Board to nominate a member to fulfill a perceived need for input or expertise in a particular area. The modification does not require a legislative amendment to Section 14087.961. The amendment to L.A. Care's Bylaws requires an affirmative vote of two-thirds of the L.A. Care Board of Governors (9 votes), and an affirmative vote of four of the five members of the Los Angeles County Board of Supervisors.

3. Section 2.3.10 provides that a member on the Board must represent "children's health care providers" and identifies the Children's Planning Council (CPC) as the nominating entity for this seat. In September, 2009, the Los Angeles County Board of Supervisors "sunset" the CPC and it no longer exists. L.A. Care has contacted the American Academy of Pediatrics, California District

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<sup>1</sup> All references are to California Welfare & Institutions Code, unless otherwise specified.

IX, which has agreed to serve as the nominating entity for the seat representing “children’s health care providers” on the L.A. Care Board of Governors. Since the proposed modification only changes the nominating entity without eliminating the stakeholder representation, legislative amendment to Section 14087.961 is not required to effectuate this modification. The amendment to L.A. Care’s Bylaws requires an affirmative vote of two-thirds of the L.A. Care Board of Governors (9 votes), and an affirmative vote of four of the five members of the Los Angeles County Board of Supervisors.

- B. **Protected Seats** The protected seats on the L.A. Care Board are unaffected by the proposed changes. Under Section 14087.9615 (a) the below underlined categories of stakeholders are considered “protected” and may not be eliminated from representation on the L.A. Care Board, without legislative amendment:

“The composition of the 13-member governing body of the commission, as prescribed in Section 14087.961, shall be subject to alteration upon a two thirds vote of the full membership of the governing body, if the action is also concurred in by an affirmative vote of at least four members of the board of supervisors; provided, however, no change in the composition of the governing board shall result in the elimination of representation by the county, private physicians, hospitals, and other providers, clinics, or consumers and consumer advocates.”

1. The proposed change to the description of the representative of “free and community clinics” to a representative of “community clinics and health centers” does not eliminate the representative category. The recommended change would not therefore require a change in the enabling legislation.
2. Health plans are not described as a “protected” category of representatives in Section 14087.9615, so the representation and the nominating entity for the member of the Board described in sub-section (g) may be changed without amending the legislation.
3. The “children’s health care provider” representative is named in Section 14087.9615, so the definition of the stakeholder group represented in Section 14087.961 (j) may not be changed without amending the enabling legislation. However, naming a new nominating entity to replace the defunct CPC, without changing the stakeholder representation, is permissible without amending the legislation.

**Budget Impact:** None.

**Motion:** A. To approve changes to the L.A. Care Bylaws to update the following provisions:

To change the nominating entities and/or category of representation for three members of the L.A. Care Board of Governors described in California Welfare and Institutions Code, as follows:

1. Section 2.3.4: One member shall be a representative of ~~free and~~ community clinics and health centers, who shall be nominated by the Community Clinic Association of Los Angeles County.
2. Section 2.3.7: One member shall be a ~~representative of Knox-Keene licensed prepaid health plans,~~ nominated by the ~~California Association of Health Plans~~ Board of Governors of L.A. Care Health Plan. The representative shall have health plan or health insurance expertise.
3. Section 2.3.10: One member shall be a children’s health care provider representative, who shall be nominated by the ~~Children’s Planning Council~~ American Academy of Pediatrics, California District IX.

- B. L.A. Care staff is directed to request that the Los Angeles County Board of Supervisors approve the proposed changes as required by California Welfare & Institutions Code Section 14087.9615 and L.A. Care Bylaws Section 2.4, and proceed with implementing the above amendments to L.A. Care’s Bylaws as required in Article XI Amendment of Bylaws and all other governing or policy documents as necessary to effectuate the above changes.

## **RECORD OF VOTING**


<b>Motion No. GOV 100.1113</b>	<u><b>Supported</b></u>	<u><b>Opposed</b></u>	<u><b>Abstained</b></u>	<u><b>Conflicted</b></u>	<u><b>Absent</b></u>
Thomas Horowitz, DO	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Thomas S. Klitzner, MD, PhD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mark Gamble	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Louise McCarthy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jann Hamilton Lee	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Alexander K. Li, MD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ozzie Lopez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Honorable Gloria Molina	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hilda Perez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Michael A. Rembis, FACHE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
G. Michael Roybal, MD, MPH	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sheryl Spiller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Walter A. Zelman, PhD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Total</b>	<b>9</b>				<b>4</b>
<b>* Absent During Voting</b>					

☒ **Motion Carried**

☐ **Motion Failed**

☐ **Motion Tabled**

**Action/Follow-up/Comments (if applicable)** *This motion was approved by an affirmative vote of 9 members of the Board of Governors, as required by L.A. Care's Bylaws.*

  
 Louise McCarthy, Secretary  
 Date Signed: 12/3/13